



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 23, 2015

#### CERTIFIED RETURN RECEIPT

7013 3020 0002 3659 6184

Keith MacKay  
State Stone Corporation  
4640 South Commerce Drive  
Murray, Utah 84107

Subject: Review of Reclamation Surety, State Stone, Torrey Buff/Red Quarries, S/055/0021, Wayne, Utah

Dear Mr. MacKay:

The last reclamation cost estimate for the Torrey Buff/Red Quarries mine was done in 2010 and escalated to 2015 dollars. The reclamation surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$17,300.00 to either \$20,800.00 for a three-year escalation or \$21,200.00 for a five-year escalation. The average reclamation costs are outlined below:

<b>Small Mine Operation (1-5 acres) Bond Calculation Worksheet</b>			
<b>(Operation Name) S/055/0021*</b>			
<b>3-year escalation (2017)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	2	\$5,000.00	\$10,000.00
Additional Mob/demob >50 miles	1	\$2,800.00	\$2,800.00
<b>TOTAL</b>			<b>\$20,800.00</b>
<b>5-year escalation (2019)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	2	\$5,100.00	\$10,200.00
Additional Mob/demob >50 miles	1	\$2,800.00	\$2,800.00
<b>TOTAL</b>			<b>\$21,200.00</b>





Keith McKay  
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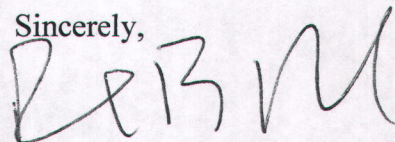
Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at [pennyberry@utah.gov](mailto:pennyberry@utah.gov) for information about submitting the additional surety. Your current surety is a cash deposit. You may increase the cash deposit, or you may submit a letter of credit, a certificate of deposit, or a surety bond for the increased or the full amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector, Wayne Western, at 801-538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the reclamation no later than November 13, 2015.

Thank you for your help in keeping the surety current. Please contact the permit lead for this mine, Wayne Western, at 801-538-5263 if you have questions concerning this requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB' followed by a stylized 'M'.

Paul B. Baker  
Mining Program Manager

PBB:whw:pb  
cc: John Reay, Hanksville BLM ([jreay@blm.gov](mailto:jreay@blm.gov))  
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